Slight Income Tax Increase Predicted

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Vancouver Island's Leading Newspaper Since 1858

Forecast, cloudy, light showers
(Details on page 2)

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Vic High Totems Win B.C. Hoop Title

VANCOUVER—Victoria High School Totems brought the B.C. high school basketball championship to Victoria for the first time in the 14-year history of the tournament here last night with a 49-26 victory over Courtenay Towhees in the sudden-death final. (See story, Page 10.)

TWO ISLAND FLIERS VANISH ON ROUTINE 10-MINUTE HOP

—Colonist Photo by Jim Ryan

Freckle-Faced Goat Girl

Only 4-H goat club in western Canada has this freckle-faced charmer among its 23 members. Ten-year-old Rhodena Cronk, 4316 Blenkinsop Road, poses here with three of club's pets. See story, Page 19.

Budget

Higher Taxes Seen

By TOM GREEN
Colonist Ottawa Correspondent

OTTAWA — Higher income taxes are expected to be part of the new federal budget when it is brought down, probably on April 14.

Corporation and sales taxes will also rise, according to Parliament Hill speculation, but in all three categories the increases are likely to be slight.

Aim of the tax boosts will be to make the Old-Age Security Fund more self-supporting.

LOGICAL DATE

April 14 seems to be the logical date for Finance Minister Fleming to bring down the budget, because he has already announced it for after the Easter recess.

Furthermore there is the matter of timing and also the Tuesday tradition for budgets.

The pension fund is now said to be running to a deficit of $200,000,000. It is financed by the 2-2-2 formula, 2 per cent of personal income, 2 per cent of corporation taxes and 2 per cent of the general sales tax.

There is the possibility that Mr. Fleming may recommend a change in the formula to a 3-3-3 basis which would put the fund on a sounder basis.

SHARP REDUCTION

The finance minister has estimated the budget deficit at March 3 will be about $700,000,000. Many observers believe that he will outline actions in the new budget to bring about a sharp reduction in any contemplated deficit in the ensuing year.

The question arises as to how Mr. Fleming can raise additional revenue without making sharp boosts in personal income and corporation taxes.

It is recalled that in the past two election campaigns the Conservatives asserted that they were committed to keeping such taxes as low as possible.

It is noted, too, that the Canadian Tax Foundation, an independent tax research organization, suggests that further increases in these fields would come as an "ugly shock" to all taxpayers.

However, there are other fields into which Mr. Fleming may delve with profit.

One of these is excise tax which is levied on a wide range of goods, including radios, television sets, automobiles and jewelry. From this tax the government gets about 10 per cent of its total budget revenue.

INFLATION CURB

Higher excise taxes would have an effect on consumer spending and would have a tendency to curb inflation—a matter causing the government much concern.

It is unlikely, though, that automobiles will be subjected to a higher excise tax. The industry has been undergoing some difficulty, and, it was only in December, 1957, that the government reduced the tax on autos from 10 per cent to 7½ per cent.

Another possible tax change which would bring in additional millions to the federal treasury, could be on dividend tax credits.

The tax credit is now at 20 per cent and the government might consider reducing this to 10 per cent.

JIM COSH
Best Senior Actor

HELEN MARMO
Best Senior Actress

MICHAEL WOODS
Best Junior Actor

PAT CONRAD
Best Junior Actress

DAVID MALTBY
Best Elementary Actor

WENDY GLOVER
Best Elementary Actress

City's Best Young Actors

Top winners of the 19th annual Greater Victoria Schools Drama Festival were honored at Oak Bay junior high school ceremonies last night. (See story, Page 9.)

Darkness Halts Air, Sea Search

CAMPBELL RIVER—Search will resume today after being temporarily halted last night for a B.C. Airlines planes missing with two Campbell River men on a routine 10-minute fair weather flight from Cortes Island to Campbell River.

Missing and feared dead are the pilot, James Skelton, 23, of Campbell River, and passenger Kenneth Forde, 19, of Willow Point, near here.

The young pilot's wife, Kathleen, about 23, was just recently discharged from hospital after the birth of the couple's first child, a girl.

The month-old infant is still in an incubator in hospital here.

BRIEF FLIGHT

The other missing man is the son of the owner of the Willow Point service station and was a mechanic at the B.C. Air Lines airport here. He holds a private flying licence.

It is feared the plane plunged without a trace into the water here on a return flight from Squirrel Cove on Cortes Island. The 16-mile flight normally takes only a few minutes and is one of the shortest on the airline's itinerary.

GOOD WEATHER

The three-passenger Cessna 170 float plane was not reported after it was heard taking off from Squirrel Cove by ground observer Mrs. V. Dowling at 2.15 p.m.

The plane took off in good flying weather, but a search launched after the aircraft failed to show up at Campbell River was hampered by increasing rain that built up to a downpour by evening.

OIL SLICK SEEN

Company officials said the plane was equipped with dye markers and red flares, but no reports of either being sighted were reported by searchers. An oil slick spotted along the land-sea route the plane would have been following was being investigated as a possible clue to the aircraft's fate. A sample was sent to University of B.C. for examination.

Five B.C. Airlines aircraft plus planes from the RCAF station at Comox in addition to fishing boats, tugs and the RCMP boat, Masset, scoured waters in the area until darkness halted the search.

TOOK CHANCES

The planes took chances in the rainstorm to fly almost at wave top in a vain effort to locate the missing craft before dark.

Crew of a navy auxiliary vessel, Whitethroat, berthed at Campbell River were alerted to join the search at daybreak.

Airline officials said there was still hope the plane had landed on Cortes or Quadra Island, both on the flight route, and 150 members of the Campbell River ground observer corps were to close check the area today.

The pilot of the missing craft had flown over the route many times in four years of service with the airline.

Don't Miss

Allies Furious At French Move
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* * *

Red-Soured Nasser Unwitting West 'Ally'
(Page 3)

* * *

Two Doctors Sound Tranquilizer Warning
(Page 5)

* * *

'Please Omit Flowers' Begins Controversy
(Page 9)

* * *

Sea, Not Space Key to Future
(Page 16)

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Chemainus Youth Shot, Girl Beaten

CHEMAINUS — RCMP are investigating the bullet wounding of a youth and the severe beating of his girl companion on the Chemainus Indian reserve three miles south of here early yesterday.

In Chemainus hospital with a bullet wound through his chest is Casper Jimmy, about 19. Doctors said the bullet, believed to be .22 calibre, had passed through his body after apparently being fired at close range.

He was reported in fair conditon last night.

Also in hospital with fractured nose and other facial injuries is Rose Marie Gibson, about 17.

The two were rushed to hospital after RCMP were called to the home of the girl's father, Casey Gibson, about 1 a.m.

Police said no charges had been laid late yesterday, but investigation was continuing.

'A Great Pity Indeed'

Smallwood Bitter At Probe Refusal

HALIFAX (CP) — Premier Smallwood said Saturday in a speech tape-recorded for a Halifax radio station, the federal government had "turned away from the opportunity to find out the true facts about violence and lawlessness in central Newfoundland."

Mr. Smallwood was referring to Prime Minister Diefenbaker's announcement that the government had decided not to appoint a royal commission to investigate the woods-labor dispute.

"I think it is a great pity indeed that the government of Canada has refused our request," said the premier. "I'm afraid we are beginning to get a bit used to being refused by the government of Canada. But, we'll see what happens."

He said if Ottawa and the people of Canada understand what had been going on in Newfoundland, they would not have hesitated to set up the inquiry.

OTTAWA (CP) — After a four-hour cabinet session, Prime Minister Diefenbaker said Saturday there would be no royal commission to investigate labor unrest in Newfoundland.

Asked whether the decision against a royal commission ruled out any kind of independent inquiry under federal auspices, Mr. Diefenbaker said he wouldn't go beyond his original statement.

The prime minister said "no reply" had been sent to Mr. Smallwood's telegram asking for an inqury. The "facts will be placed before the Commons" on Monday, Mr. Diefenbaker said.

Wasted Billions In Secret Report?

WINNIPEG (CP)—The Free Press says information that government expenditures of about $2,000,000,000 a year for defence have resulted in no defence is believed contained in a civil defence report kept secret by the Conservative government.

The report, prepared by Lt.-Gen. Howard Graham, is also said to claim that the Canadian civil defence organization, for practical purposes, is non-existent.

The newspaper says that although Defence Minister Pearkes has promised to present "soon" a white paper on defence, a Conservative MP said the bulk of the report made by Gen. Graham would never be made public "for reasons of national security."

The MP told the newspaper, "it's just too damning. It says the government has been spending $2,000,000,000 a year for defence, and in effect hasn't got any defence.

"It also suggests that the militia be returned to its original role, that of protecting Canadian soil, and be supported in this role rather than the present policy of relying on a civilian civil defence group," the MP said.

Two Hurt On Highway

Brian R. McKay, 1420 Haultain, and a female passenger, were taken to St. Joseph's Hospital early this morning after the car McKay was driving hit a pole at the intersection of the Patricia Bay Highway and Cadboro Bay Road. Occupants of a second car involved were unhurt.

Election Within Year Hinted by Bonner

VANCOUVER (CP)—Attorney-General Robert Bonner hinted at the possibility of an election next year in a speech to his constituents Friday night.

Several times during a meeting of the Point Grey Social Credit Constituency Association Mr. Bonner urged the 150 people present to prepare for an election.

"We are going to face an election next year," he said, then added, "or in the next two or three years."

With 'Daffs' Again in Bloom It's Time to Share the Flowers

Golden daffodils, the cheery heralds of spring, are beginning to fill gardens in the Victoria area.

Sightseers will be able to enjoy the fresh, new beauty during the next couple of weeks.

It is a pleasure available to most, but many patients in hospitals at this time of year miss the gay beauty of the daffodils.

The Daily Colonist's Share the Flowers plan was first organized five years ago to bring the cheer of the city's gardens to these shut-ins.

Now the plan is poised to swing into operation again this week.

This is the way it works:

Gardeners with flowers to spare—in small or large quantities, it doesn't matter—phone The Daily Colonist at EV 3-4111 before noon on Wednesday and leave their names, addresses and phone numbers.

The flowers will be picked up Thursday and delivered to patients in Royal Jubilee Hospital, St. Joseph's Hospital and the Veterans' Hospital.

Volunteer drivers who will have time to help collect the flowers Thursday morning are needed to make the operation a success. They are asked to phone the Colonist at EV 3-4111 by 5 p.m. Tuesday.

Flowers sought this week are mainly daffodils but any flowers suitable for display in hospitals are welcome.

The whole idea behind the plan is to give householders the opportunity of sharing the rich harvest of beauty from their gardens with the less fortunate hospital shut-ins.